

REPORT OF

TARGET MARKET CONDUCT

EXAMINATION

OF

RELIASTAR LIFE INSURANCE

COMPANY

MINNEAPOLIS, MINNESOTA

BY

THE OFFICE OF THE INSURANCE

COMMISSIONER

STATE OF WASHINGTON

AS OF

DECEMBER 31, 1996

Seattle Washington

July 25, 2000

Deborah Senn
Insurance Commissioner
Olympia, Washington 98504

Dear Commissioner Senn:

Pursuant to your instructions and in compliance with the provisions of RCW 48.03.010 et seq. a promulgated by the National Association of Insurance Commissioners and the Office of Insurance Cor examination of the market conduct activities has been conducted of:

ReliaStar Life Insurance Company

20 Washington Avenue South

Minneapolis, Minnesota 55401

The report thereon, as of December 31, 1996, is herein respectfully submitted.

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EXAMINATION REPORT CERTIFICATION

This examination was conducted in accordance with the Office of the Insurance Commissioner and Association of Insurance Commissioners market conduct examination procedures.

James R. Montgomery III, AIE, FLMI, MAAA, Robbie Kriplean, CIE, AIRC, and Charles F. Taylor AIRC (Examiner-in-Charge) participated in this examination.

I certify that the foregoing is the report of the examination, that I reviewed this report in conjunction with examination work papers, that this report is in accordance with the provisions for such reports prescribed by the Insurance Commissioner, and this report is true and correct to the best of my knowledge and belief.

Pamela Martin

Chief Market Conduct Examiner

Office of the Insurance Commissioner

State of Washington

FOREWORD

This target market conduct examination report is by exception and additional practices, procedures and findings. Any information that was reviewed during the examination but was not included in the report if no improprieties were indicated. Through the report, where cited, RCW refers to the Revised Code of Washington, and WAC refers to the Washington Administrative Code.

The examiners extend their gratitude for the exceptional courtesy and cooperation extended to them by the insured, its Counsel and Attorney throughout the examination.

SCOPE

SITUS

This examination was a Level Two Target Market Conduct Examination conducted off site.

TIME FRAME

The examination covered the company's operations for the period January 1, 1992 through December 31

METHODOLOGY

Sampling Standards

In general, the sample for each test utilized in this examination falls within the following guidelines:

92% Confidence Level
+/- 5% Tolerance

Regulatory Standards

Samples are tested for compliance with standards established by the OIC. The tests applied to sampled d determines whether or not a standard is met. If the error ratio found in the sample is, generally, less than "met". The standard for agent licensing and appointment is not met if any violation is identified. This wi examined, in lieu of a sample.

For those standards which look for the existence of written procedures, or a process to be in place, the st examiner's analysis of those procedures or processes. The analysis will include a determination of wheth established procedures.

MATTERS EXAMINED

The focus of the examination was the life insurance and annuity business, which encompassed the follow

Marketing and sales practices
Complaints

Agent licensing
Replacement activity

HISTORY, TERRITORY OF OPERATIONS, MANAGEM

The Company was originally incorporated under the laws of Minnesota as Northwestern Aid Association assessment plan. During 1901, the Company's name was changed to Northwestern National Mutual Life it was reincorporated as a stipulated premium company. The Company became a mutual legal reserve lif during 1906 at which time its name was changed to Northwestern National Life Insurance Company. In incorporation were amended to permit the writing of life insurance on both the proprietary and mutual pl laws of the state of Minnesota relating to stock and mutual companies. On January 3, 1989, pursuant to a Company was converted from a combined stock and mutual life insurance company to a stock life insur Company became a wholly-owned subsidiary of the ReliaStar Financial Corporation.

During 1996, the present name was adopted. The Company is licensed in forty-nine states and the District is licensed only for reinsurance in the state of New York.

ReliaStar Life is governed by a board of directors comprised of the following members:

John Gosney Turner, Chairman

Richard Ralph Crowl

Michael J. Dubes

Wayne Robert Huneke

James R. Miller

Mark S. Jordahl

Kenneth Udell Kuk

Susan W.A. Mead

Dewette Ingham

Robert Charles Salipante

MARKETING & SALES

ADVERTISING

The examiners reviewed a sample of seventy-two (72) advertising pieces which were available for use in examination period. Violations as described below were noted.

A brochure entitled "A Wealth of Resources" listed the Company's ratings as of 1995 by Standard & Poor's A. M. Best (A) and Duff & Phelps (AA) without an explanation of the rating standards although none of highest awarded by any of these rating services. Another advertisement designated as "PBA Inc. 7/93" listed Best's rating as "A" ("Excellent") without any explanation of the rating standards although Best's had highest A+ available. WAC 284-30-660 prohibits the use of evaluations from a rating agency in a manner likely to mislead whom the information is directed. The use of a rating without an explanation would reasonably cause the impression that the insurer had received the highest rating available from the service.

The advertisements listed under (a) in Appendix I contain a statement of the life insurance company's assets without a corresponding statement of the liabilities or surplus. This is misleading since a statement of assets alone does not convey the financial condition of a company. A company could theoretically have large assets and still be impaired or even insolvent, depending upon its liabilities. This constitutes violations of WAC 284-23-080.

The advertisements listed under (b) in Appendix I not only list assets without listing a corresponding statement of liabilities but the assets listed were consolidated assets pertaining to the entire group of companies, i.e., NGLI. This conveys the additional erroneous impression that the assets of the entire group of companies were available to pay the liabilities of ReliaStar Life Insurance Company alone. These advertisements were, therefore, also in violation of WAC 284-23-080.

See Appendix I (a) & (b)

Subsequent Event: The Company discontinued use of the 2 brochures "A Wealth of Resources" and PBA. All other brochures cited in Appendix I have been discontinued or revised to remove references to assets liabilities. The Company is also removing references to parent company assets from their advertising.

Standard # 15- Advertising materials comply with Washington Advertising Regulations.

NO. IN SAMPLE	NO. IN VIOLATION	% SAMPLE VIOLATIONS
72	18	25%

Results: The company did not meet this standard.

POLICY ILLUSTRATIONS

INTEREST RATE "BONUS"

In January, 1990 the Company began offering what it refers to as its "Bonus Plan-Universal Life Insurance". The illustrations used in the sale of this product include the following footnote:

"Beginning with the 6th policy year, the current values reflect an interest rate bonus. To produce the current values shown, the base interest rate was increased by the interest rate bonus shown in the following tables:

<u>Policy Year</u>	<u>Interest Rate Bonus</u>
1-5	0.0%
6-10	0.5%
11-15	1.0%
16-up	1.5%

All illustrations, based on these "bonus" interest rates, used with policies sold on or after January 1, 1990, constitute a violation of RCW 48.23A. This chapter of the code, which became effective on that date, prohibits the use of nonguaranteed elements more favorable than the currently payable scale.

The currently payable scale could not have included the bonus rates of 1.0% for the 11th-15th policy year for policy years 16 and up since the Company has only been issuing the "Bonus Plan" since January, 1990. The Company has not actually credited any bonuses greater than 0.5% which was applicable to policy years 6-10.

Subsequent Event: The Company only became aware of the OIC interpretation of RCW 48.23A following its 1998 examination. They have discontinued use of the Bonus Plan illustrations in Washington until they conform to Washington law. The Company believes it acted in good faith, based on the legislative history related to the model from which the Washington law is derived.

INTEREST RATE ASSUMPTIONS

Due to the rapid growth in the sale of interest sensitive products, policy illustrations have taken on an importance. As a result of abuses in the insurance industry, the National Association of Insurance Commissioners (NAIC) promulgated a model regulation which was adopted at their December, 1995 meeting. This model regulation, which was designed to curb abuses in policy illustrations, was effective January 1, 1997. The state of Washington enacted a similar law which became effective on January 1, 1998.

A key provision in these measures was a cap on the non-guaranteed elements, which could be used in policy illustrations, equal to the lesser of (a) the currently payable scale and (b) the "disciplined" current scale (based on recent historical experience). While neither of these measures were in effect during the period of this examination, they do represent a consensus among regulators as to where the line should be drawn in assuring the reasonableness of interest rates to be used in policy illustrations.

Consumers must make their decisions to buy or not to buy these products based on the policy illustrations shown at the point of sale. If an illustration is based on unrealistically high dividends or interest rates, a consumer is likely to make a purchase that could lead to a devastating result.

One example might be a situation where an individual purchases an adjustable life policy under a "vanishing premium" concept. If the illustrated scale is unreasonably high, the purchaser is likely to conclude that he or she will not have to pay premiums after a specified illustrated date. If the actual results should turn out to be materially different, the policy would lapse prematurely and could place the insured in the untenable position of unexpectedly having to pay premiums during the retirement years when the premium may become unaffordable.

With these concerns in mind, the examiners reviewed the assumptions underlying the Company's policy illustrations to determine if the illustrations were misleading. It was determined that, prior to January 1, 1995, illustrations for ReliaStar universal life products permitted agents to produce illustrations using an assumed interest rate 3% above the current credited rate:

- Bonus Plan Universal Life-Washington form # 84-040
- Plan 3 Universal Life-Washington form # 83-700
- Plan 4 Universal Life-form # 83-685
- Direction Plus Universal Life-form # 84-930
- Flex Pro 3 Universal Life-form # 83-325

Prior to 1995, the illustration software was not updated on a quarterly basis, as is now the practice. Thus, illustrations were run at a rate 3% higher than the current

credited rate and at the same time permitting the software to be used without revision for company credit changes resulted in the use of interest rates even higher than 3% above current due to the lag in updating during a period of rapidly declining interest rates.

It is the examiners opinion that the permissive use of interest rate assumptions 300 basis points and more above actual declared rates under the existing conditions was misleading, in violation of WAC 284-23-040.

AGENT LICENSING

The examiners requested a diskette containing a record of all variable and non-variable products issued during the examination period. Among other items this listing included contract/policy #, insured's name and producers name. The total population of 4,160 included 1,191 variable and 2,969 non-variable policies was sorted and filtered to produce a listing of all policies written by each individual producer.

Fifty-four (54) producers' lists were then selected as a sample to determine whether the policy issue date date of appointment, came after the appointment expired or if the producer was ever appointed.

The review revealed that six (6) agents wrote business without an appointment in violation of RCW 48.1

See Appendix II

Standard # 16 Agents representing the company have been appointed prior to soliciting application of the company.

Sample: 54 agents

Violations: 6 agents/6 policies

Error ratio: 11%

Results: The company did not meet this standard.

AGENT AUDIT

AGENT # 56722-BOOK OF BUSINESS

In response to a request from OIC the examiners reviewed the business submitted by agent #56722 as directed.

The examiners requested a listing of all business written by agent # 56722 from 1/1/92 to the present. The provided listing contained a total of fifty-one (51) policies with issue dates from 6/95 through 4/99. A sample of twenty-two (22) policy files was drawn for review with the following results:

Twenty-one (21) of the policy files reviewed represented replacements; one was a conversion. Of the twenty-one replacements, thirteen (13) were internal and eight (8) were external. Examiners note that six (6) of the eight external replacements were replacing policies written by Metropolitan Life Insurance Company.

Further, fifteen (15) of the twenty-one (21) replacements did not contain the required "Important Notice of Replacement of Insurance" a violation of WAC 284-23-440 and WAC 284-23-455. On three (3) occasions the question on the application that asks "will any existing life or annuity coverage be replaced, lapsed or surrendered" the "no" box is marked. However, information in the policy files indicates that these are replacements of

policies.

One of the reviewed samples that represented an internal replacement (without the required replacement contained a letter dated 8/21/98 from a ReliaStar producer to Gary Dunn, Compliance, Reliastar Life. The referenced "Policy # 2059972 to Select Life S7091638" and read in part as follows:

"Apparently you have talked with (Regional Manager) regarding agent

(# 56722)'s bungling of (insured's name) insurance policies...I am aware that I will not receive commission for this, but my hope is that (agent # 56722) gets some type of reprimand, as his for this exchange was selfish and self-serving..."

Examiners reviewed agent # 56722's complete "agent's file "and did not observe any reference to a comp reprimand other than a memorandum from the Regional Manager requesting all acceleration of overwrites ReliaStar and WSSI to stop effective 8/14/98.

OIC records show that agent # 56722 was appointed with ReliaStar 3/8/95 and is currently active with an expiration date of 3/4/00. It should be noted that agent # 56722 was appointed with Metropolitan 1/18/90 and that cancelled his

appointment 5/31/95. The reason for the cancellation was not indicated. OIC conducted an investigation of misrepresentation beginning in August 1995. The OIC investigation was closed 1/29/96 with a reprimand of agent 56722.

See Appendix III

COMPLAINTS

The examiners reviewed a total of fifty-one (51) complaints broken down by year as follows:

1992	1993	1994	1995	1996
4	7	20	13	7

It was observed that eleven (11) of the fifty-one (51) complaints involved policies written by a single agent. Although the examiners did not request complaint files for periods following the examination period, it was noted that the files actually furnished to the examiners included three (3) more complaints on this same agent that were received in 1997 and four (4) more received during 1998.

A total of eighteen (18) complaint files involving this same agent were reviewed. Most of the complaints involved the particular agent involved misrepresentations or alleged misrepresentations in connection with replacement of ReliaStar policies with ReliaStar universal life policies, a practice known in the industry as "churning".

This agent would typically inform clients that they could purchase the same amount of coverage or more premium using the universal life policy, or that the new universal policy would become paid-up after a certain number of years. The clients were apparently not informed that the performance of universal life policies depends on interest actually credited to the policy, and upon the deductions to cover the cost of the death benefit. None of these factors is guaranteed to the extent necessary to guarantee the benefits promised by this agent.

The Company entered into written settlement agreements in those cases where an insured had written promises or misrepresentations such as letters from this agent. While the Company terminated this agent in March 1997, audits of his business, complaints have continued to come in.

This is symptomatic of a situation where an agent promises that a universal life policy will become paid-up after a fixed number of years. The insured has no way of knowing that he has been misled until the passage of time, when he then learns that premiums are still payable. A similar problem exists when an agent tells an insured he can pay a lower premium for the same or more coverage by replacing his existing policy with a universal life policy, only to find out later, to his detriment, that the new lower premium is not sufficient to maintain the insured.

Judging from the complaints received by the Company on business written by this agent, combined with several of the complainants furnished actual written proof of the misrepresentation, it is apparent that this modus operandi was consistent with the allegations against him. Due to this and the fact that problems often do not typically

do not surface for a period of years following the misrepresentations, it is likely that there are other similar problems that will surface in the future.

Subsequent Event: Following this examination, the Company conducted a review of 250 policies sold by the agent. Of the 701 policies written while appointed with the company, 333 (48%) were noted to be internal replacements. The Company also analyzed the 18 complaints received related to this agent. They concluded that in general, the replacements did address legitimate insurance needs. They also stated that if any additional complaints were brought against the agent, they would address the complaints in a fair manner.

The examiners also discovered a problem with respect to a lack of expertise on the part of the company's Individual Compliance. In a letter dated May 8, 1997, the company's Director of Individual Compliance reviewed the insured (policy #2-127-497) of the following:

As I indicated, by increasing the monthly premium to \$80.00 per month the life insurance contract is guaranteed to continue to age 94. This is based on the guaranteed rate of 4.5%

This statement was incorrect because, although it is based on an illustration using the guaranteed minimum rate of 4.5%, it used current rather than guaranteed mortality costs. Actually the death benefit could only be paid until age 85 using the correct guaranteed mortality costs.

This problem indicates that the Company needs to take additional steps to insure that personnel who supervise the handling of consumer issues obtain better training in the intricacies of the Company's products.

Subsequent Event: The Company states that they have taken steps to insure all current personnel handling complaints understand their products. Future employees will receive thorough training, and the Director of Compliance is now a licensed attorney.

REPLACEMENTS

ReliaStar's replacement practices and procedures were reviewed in order to determine compliance with WAC 284-23-400 through WAC 284-23-485. There were two primary objectives in this section of the examination:

1. Review records to determine the extent of replacement activity, both internal and external, associated with policies issued during the examinations period.
2. Review records to determine the extent of existing policies financing new policies issued during the period. This financing could be accomplished through policy loans on existing policies, surrender of existing policies, or exercising other non-forfeiture options on existing policies or partial surrenders of existing policies.

The formal written procedures utilized by ReliaStar during the examination period were initiated 8/12/87. The Company adopted changes effective 1/1/96, regarding "Attained Age Exchanges-Internal Life Insurance Replacement". Currently the Company follows guidelines as set forth in a publication (Inter-Company Life Insurance Replacement Guidelines and New Life and Annuity Replacement Procedures) that was effective January 1, 1996.

Even though the Company's written replacement procedures are consistent with Washington regulations, the Company did not maintain, pursuant to WAC 284-23-455 (3), a replacement register regarding annuity replacements. The Company did not track on its computer systems whether an annuity purchase involved a replacement or a replacement was internal or external for life insurance products.

Subsequent Event: The Company states it has implemented procedures to automatically capture data on annuity purchases as of 2001, and will add annuity data in a later version. Until that system is fully operational, a tracking procedure will be used.

Sample A

From a population of one hundred and eighty-seven (187) a sample of fifty-four (54) policies files was drawn from the following category: "policies issued during the examination period that had an existing policy". The review revealed that five (5) did not contain the required "Important Notice Regarding Replacement of Insurance" nor comply with WAC 284-23-400 and WAC 284-23-455. One (1) contained a replacement form that was incorrectly completed, constituting a violation of WAC 284-23-440 (2) (a).

Sample B

A sample of fifty-one (51) from a population of five hundred and seventy-six (576) was drawn from disk files representing internal and external life replacements issued from

1/1/92 through 12/31/96. The review revealed that a total of nineteen (19) replacements did not contain the required "Important Notice Regarding Replacement of Insurance" in violation of WAC 284-23-400 and 284-23-455. Of the nineteen (19) contained replacement forms that were either incorrect or not completed pursuant to WAC 284-23-440 (2) (a).

It should be noted that of the nineteen (19) files that did not contain the required replacement form, seven (7) were internal replacements and twelve (12) were external replacements.

were "Attained Age Exchanges-Internal Life Insurance Replacements".

Based on the examiners' review of replacement activity, they concluded that although the Company had replacement procedures that complied with Washington replacement regulations, the Company did not c
adhere to these written procedures.

**Standard # 11 Replacement procedures are in writing and are consistent with the Washington Rep
Regulations.**

Sample A	Sample B
Files sampled: 54	Files sampled: 51
Sampled files with violations: 6	Sampled files with violations: 28
% of files with violations: 11%	% of files with violations: 55%

Results: The company did not meet this standard.

See Appendix VI for policy details.

Subsequent Event: The Company has now reviewed all states' replacement regulation requirements, dist
spreadsheet showing those requirements, and in 1998 and 1999, issued written and web site information
home office users regarding replacement requirements.

Monitoring Replacement Activity

NOTE: There is no legal limit as to the number of replacements an agent may write. However, rep
should be monitored by the companies to guard against excessive replacement, or churning. The tl
"greater than 1 per month" is used in this section of the examination solely for the purpose of testi
oversight procedures.

The examiners also analyzed the company provided "replacement" diskettes in order to identify any sign
of replacements for any one agent (>1 per month, combined internal and external replacements). The an
the following:

-
- Agent # 07546 wrote ninety-two (92) replacements from 1/92 to 5/95
 - Agent # 13920 wrote seventy (70) replacements from 12/93 to 12/96
 - Agent # 15986 wrote twenty-four (24) from 5/94 to 9/95

Subsequent Event: According to a company official, ReliaStar instituted a procedure to review monthly :
activity of its agents in early 1998, and 1999.

Standard # 12 Number of replacements for any one agent in any calendar year should not be significant month, combined internal and external replacements).

Results: The company did not meet this standard.

INSTRUCTIONS

1. WAC 284-30-660 requires a clear explanation of an advisory service's basis for rating companies who mentions a rating such as "A+". The Company is instructed to discontinue using all advertising that does with this requirement (Page 4, Summary of Violations)
 2. The Company is instructed to include an equally prominent reference to its liabilities in any advertisement to its assets, to comply with WAC 284-23-080. (Pages 4 & 5 , Summary of Violations)
 3. Certain advertising refers to the entire group of companies' assets in violation of WAC 284-23-080. The Company is instructed to discontinue this practice. (Page 5, Summary of Violations)
 4. Policy illustrations using "bonus" rates which have not actually been credited to any policies are in violation of RCW 48.23A. The Company is instructed to cease issuing policy illustrations which do not comply with 48.23A. (Page 5, Summary of Violations)
 5. The Company is instructed to obtain a completed copy of the "Important Notice Regarding Replacement of Insurance" from the agent for every replacement, and retain it in their policy files, as required by WAC 284-23-455(2)(a). (Page 9 & 14, Summary of Violations)
 6. The question regarding whether replacement of existing life insurance or annuity is involved was answered incorrectly in violation of WAC 284-23-440. The Company is instructed to require correct answers to the question regarding replacement. (Page 9 & 14, Summary of Violations)
 7. The replacement forms were incorrect or not completed pursuant to WAC 284-23-440(2)(a). The Company is instructed to review each replacement form to insure that it is complete and answered accurately. (Page 14, Summary of Violations)
 8. Policy applications were written prior to the effective date of agents' appointments in violation of RCW 48.23A which requires all agents to be appointed prior to soliciting any business. The Company is instructed not to allow persons to solicit business prior to being properly appointed. (Page 8, Summary of Violations)
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RECOMMENDATIONS

1. It is recommended that the Company review its complaint recording procedures and make the necessary changes to insure that all complaints are properly recorded. (Page 11 & 12)
2. The Company should take steps to insure that personnel who supervise the handling of consumer issues are properly trained regarding the technical aspects of the Company's products. (Page 12)
3. It is recommended that the Company implement procedures to monitor consumer complaints for trends and regularly report any adverse trends to management. (Page 11 & 12)

SUMMARY OF VIOLATIONS

Page No.	Nature of Violation	Citation
4	Misleading use of rating evaluations "A Wealth of Resources" "PBA Inc. 7/93"	WAC 284-30-660
4 & 5	Statements referring only to assets and not liabilities (adv. listed in Appendix I (a) & I (b))	WAC 284-23-080
5	Misleading reference to assets of group of companies	WAC 284-23-080
5	Use of scale of non-guaranteed elements in illustrations more favorable than currently payable	RCW 48.23A
6	Misleading policy illustrations (use of interest rates more than 300 basis points above current rate)	WAC 284-23-040
8	Agents writing business prior to being appointed	RCW 48.17.160
14 & 15	Failure to require and retain copy of replacement notice in file.	WAC 284-23-455
14 & 15	Failure to correctly complete replacement form	WAC 284-23-440 (2) (a)
14 & 15	Failure to obtain correct answer as to whether policy is a replacement	WAC 284-23-440

14	Failure to maintain a replacement register regarding annuities	WAC 284-23-455 (3)
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APPENDIX I

Violations of WAC 284-23-080

APPENDIX I (a)

Advertisements containing a statement of assets without a corresponding statement of liabilities. (Life in company only)

Brochure No.	Edition
44102	9/94
N700.166b	11/95
43417E	2/96

APPENDIX I (b)

Advertisements containing a statement of consolidated assets of the entire group of companies without a corresponding statement of liabilities or surplus.

Brochure No.	Edition
43150	7/92
43150A	2/93
43417A	2/93
43150B	5/93
43417B	1/94
44102	1/94

44102	9/94
45156	8/95
45157	8/95
43417E	2/96
10 NWN 02.Doc	7/96

APPENDIX II

AGENT LICENSING & APPOINTMENT

VIOLATIONS OF RCW 48.17.160

Agents that wrote business prior to becoming appointed:

AGENTS NUMBER	POLICY NO.
54740 (appointed 7/29/94)	7031546 (issue date 7/8/94)
50813 (appointed 10/21/92)	2298110 (issue date 10/05/92)
15766 (appointment Canc. 3-4-95)	2363746 (issue date 8/31/95)
02185 (appointed 10/15/93)	2324990 (issue date 8/14/93)
72905 (appointed 2/12/93)	2298147 (application date 10/1/92)
52550 (appointed 7/29/93)	2320696 (application date 7/9/93)

APPENDIX III

AGENT AUDIT

VIOLATIONS OF WAC 284-23-455

Fifteen policies without replacement notice:

Policy/Contract Number

0000075830	7055766	7080722	7092669
2000008696	7066178	7088277	7099137
7046643	7075642	7088287	7056267
7047314	7079691	7091638	

VIOLATIONS OF WAC 284-23-440(2)(A)

"No" box incorrectly marked on application:

Policy/Contract Number

7075642

7046643

7071413

Six external replacements-replacing Met Life policies:

Policy/Contract Number

2000008696	7062990
7061930	7092669
7062989	7099137

APPENDIX IV

Policy numbers for complaints referenced in complaint file pertaining to policy #'s 1939033 and B23352

2229899	2327995
2259778	2334560
2306551	

APPENDIX V**IDENTIFICATION OF AGENT:**

STATE LICENSE #- CIC REDMAWW752S1 (Will be noted in draft report only) COMPANY # 075.

POLICY NUMBERS WRITTEN BY AGENT # 07546 TO WHICH INSUREDS FILED COMPLAINT

Policy Number

1939033 & 2335247	2231350	2288499
1944733	2242136	2306551
1955199	2259778	2326751
2127497	2267693	2327995
2169544 & B2269767	2270686	2334560
2229899	2284453	2350865

APPENDIX VI**Replacements**

VIOLATIONS OF WAC 284-23-440 & WAC 284-23-455

Sample A**Did not contain required replacement form:**

7051305	2378893
7047314	2345672
2381868	

VIOLATION OF WAC 284-23-440(2)(a)

Replacement form incorrect:

2349088 (Question #8 marked no-did not indicate "contestable and suicide periods may start again")

VIOLATIONS OF WAC 284-23-440 & WAC 284-23-455

Sample B**Did not contain required replacement form:**

2277166	2348546	7027334	7054455
2291604	2348746	7031936	7055766
2294041	2348800	7031937	7063712
2335464	2361337	7041565	7065376
2339519	2384787	7054452	

VIOLATION OF WAC 284-23-4402)(a)

Replacement form incorrect:**(Question # 8 on the replacement form marked no-did not state contestable and suicide periods marked anew)**

2283044	7016214
2310018	7024601
2315811	7067961
2369536	

VIOLATIONS OF WAC 284-23-440 & WAC 284-23-455

(Replacement form not complete-did not contain the second page; signature of applicant, etc.)

2352633

7056572